



## City of Laguna Woods

### Agenda Report

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Christopher Macon, City Manager

**FOR:** May 19, 2021 Regular Meeting

**SUBJECT:** Regional Housing Needs Assessment (RHNA) and General Plan Housing Element Update

#### **Recommendation**

Provide direction to staff.

#### **Background**

The Regional Housing Needs Assessment (“RHNA”) is a process mandated by the State of California’s housing laws to determine existing and future housing needs for each city and unincorporated area. Once housing needs are quantified through the RHNA process, cities and counties are required to take certain land use planning actions to allow for the construction of new housing units to meet those needs. For additional information, please refer to Attachment A.

The current 6<sup>th</sup> Cycle RHNA process (for the period of 10/2021–10/2029) resulted in the following housing needs allocation for the City:

*Table 1: City’s Housing Needs Allocation*

<b>Income Level</b>	<b>Number of Units</b>
Very-low income	127 units
Low income	136 units
Moderate income	192 units
Above-moderate income	542 units
<b>Total</b>	<b>997 units</b>

Source: Southern California Association of Governments (“SCAG”)

State law requires all cities to update their general plan housing elements on either a five- or eight-year cycle. The City is on an eight-year cycle with its next update due on October 15, 2021. Prior to adopting its updated General Plan Housing Element, the City will be required to demonstrate to the California Department of Housing and Community Development (“HCD”) that the update adequately plans for the City’s housing needs allocation as summarized in Table 1.

Please note that **neither the RHNA nor General Plan Housing Element Update processes require the City or any private property owner to construct housing or discontinue any existing non-housing use.** Frequently asked questions are answered in Attachment A.

On May 5, 2021, a City Council meeting was held that focused on an overview of the RHNA and General Plan Housing Element Update processes, and a draft of the Housing Needs Assessment. Public comments were accepted.

### **Discussion**

Today’s meeting is an opportunity for City Council discussion and direction, as well as public input, on the RHNA and General Plan Housing Element Update. Staff anticipates the need for several additional meetings on this topic with today’s meeting focused the Housing Sites Inventory.

State law requires that the updated General Plan Housing Element include an inventory and analysis of land suitable and available for residential development to meet the City’s housing needs allocation (i.e., identification of specific properties that could accommodate the potential future construction of 997 units). One such Housing Sites Inventory scenario is included as Attachment B.

### **Fiscal Impact**

Sufficient funds to support this project are included in the City’s budget.

Attachments: A – Regional Housing Needs Assessment (RHNA) Frequently Asked Questions  
B – Housing Sites Inventory Scenario, dated May 14, 2021



CITY OF LAGUNA WOODS

# Regional Housing Needs Assessment (RHNA)

## Frequently Asked Questions

### What is the Regional Housing Needs Assessment (RHNA)?

The Regional Housing Needs Assessment (RHNA) is a process mandated by the State of California's housing laws to determine existing and future housing needs for each city and unincorporated area. Once housing needs are quantified through the RHNA process, cities and counties are required to take certain land use planning actions to allow for the construction of new housing units to meet those needs.

### Is the RHNA process new?

No. The RHNA process began in 1969 and has occurred on regular "cycles" since then. From 1969 until the City's incorporation in 1999, the County of Orange was responsible for RHNA compliance and land use planning in Laguna Woods. Beginning in 1999, those responsibilities transferred locally to the City.

### How does the RHNA process determine housing needs?

The California Department of Housing and Community Development (HCD) is responsible for determining housing needs for each region's "council of governments," which for Laguna Woods is the Southern California Association of Governments (SCAG). The SCAG region encompasses six counties (Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura) and 191 cities.

HCD starts with demographic population information from the California Department of Finance and then applies a formula intended to increase housing supply and further other housing-related objectives established by the California State Legislature (see California Government Code Section 65584).

After receiving HCD's housing needs determination, SCAG uses a methodology to allocate HCD's determination between individual cities and unincorporated areas. For the current 6th Cycle RHNA process (10/2021 - 10/2029), SCAG's methodology considered factors including, but not limited to, anticipated household growth, job and transit accessibility, and social equity (the distribution of housing by income categories).

Current RHNA Process	Housing Needs Determination for the SCAG Region	Housing Needs Allocation for Laguna Woods
For the period 10/2021 – 10/2029 (AKA "6th Cycle")	1,341,827 units	997 units

## **What does the RHNA process require of the City?**

Once SCAG has identified the City's housing needs allocation, the City is required to zone sufficient land to allow for the construction of new housing units to meet that allocation. Such land must be "suitable for residential development," which state law generally defines as including vacant land, residential land upon which additional housing units could be constructed, and nonresidential land that could be redeveloped to include new housing units (California Government Code Section 65583.2(a)). Such zoning must be "by right," which means that the City is required to allow new housing construction without requiring conditional use permits or other discretionary approvals that would constitute a "project" under the California Environmental Quality Act (CEQA).

## **How does the City's General Plan Housing Element relate to the RHNA process?**

State law requires that all cities update their general plan housing elements on either a five- or eight-year cycle (California Government Code Section 65588). The City is on an eight-year cycle with its next update due on October 15, 2021. Prior to adopting its updated General Plan Housing Element, the City will be required to demonstrate to HCD that the update adequately plans for the City's housing needs allocation and otherwise complies with state law (California Government Code sections 65583 and 65585).

## **Does the City have the ability to zone private property?**

Yes. State law requires the City to designate "the proposed general distribution and general location and extent of the uses of the land" within city limits, including both "public and private uses of land" (California Government Code Section 65302(a)). All public and private property in Laguna Woods, with the exception of public streets, is presently zoned and has been since the community was first constructed.

## **Does the RHNA process require the City to construct housing?**

No. State law is explicit that the City is not required to "expend local revenues for the construction of housing, housing subsidies, or land acquisition" (California Government Code Section 65589(a)(1)).

## **Does the RHNA process require property owners to construct housing?**

No. While state law requires zoning sufficient to accommodate the City's housing needs allocation, it does not require the use of that property to be limited to the construction of new housing units nor does it require property owners to construct housing or discontinue any existing non-housing uses. If a property owner does not wish to construct housing, zoning that allows such construction only presents an option for the future.

## **Who makes the decision to construct housing?**

Housing construction requires interested property owners and interested developers. No party is obligated to construct housing or discontinue any existing non-housing uses, regardless of how property is zoned.

## **Does the RHNA process allow the City to permit only senior housing?**

No. State law specifies that the RHNA process is intended to address the "housing need of persons at all income levels" with goals including "increasing the housing supply and the mix of housing types, tenure, and affordability" (California Government Code Section 65584). While property owners may choose to construct age-restricted housing, state law does not allow the City to place such a restriction on properties for the purpose of accommodating the City's housing needs allocation.

## **Does the City receive credit for existing affordable housing units?**

No. The RHNA process is focused on future housing needs. For the 6th Cycle RHNA process, credit is only provided for housing units approved, permitted, or built on or after June 30, 2021.



**CITY OF LAGUNA WOODS  
HOUSING SITES INVENTORY SCENARIO  
May 14, 2021**

This scenario has been developed to identify locations for potential future housing construction in Laguna Woods sufficient to meet the City’s legal obligations under state housing law. In total, capacity would exist to accommodate up to 997 new housing units, including at least 127 very-low income units, 136 low income units, 192 moderate income units, and 542 above-moderate income units.

Properties were screened for inclusion in this scenario at the parcel level (e.g., each parcel within a shopping center was considered separately). This was done to ensure that potential future housing construction is not contingent on collaboration between multiple property owners, and to acknowledge that zoning is applied on a parcel-by-parcel basis (meaning that zoning remains consistent across individual parcels).

Properties presently designated as open space were excluded from consideration.

Due to a lack of evidence indicating a likelihood of redevelopment, properties located within, or owned by parties exclusively affiliated with, Laguna Woods Village were excluded from consideration.

Lower maximum densities were applied to properties abutting existing residential areas to promote greater compatibility in scale and massing. This scenario includes a variety of sites and maximum densities in order to avoid concentrating development opportunities in fewer, very high density locations.

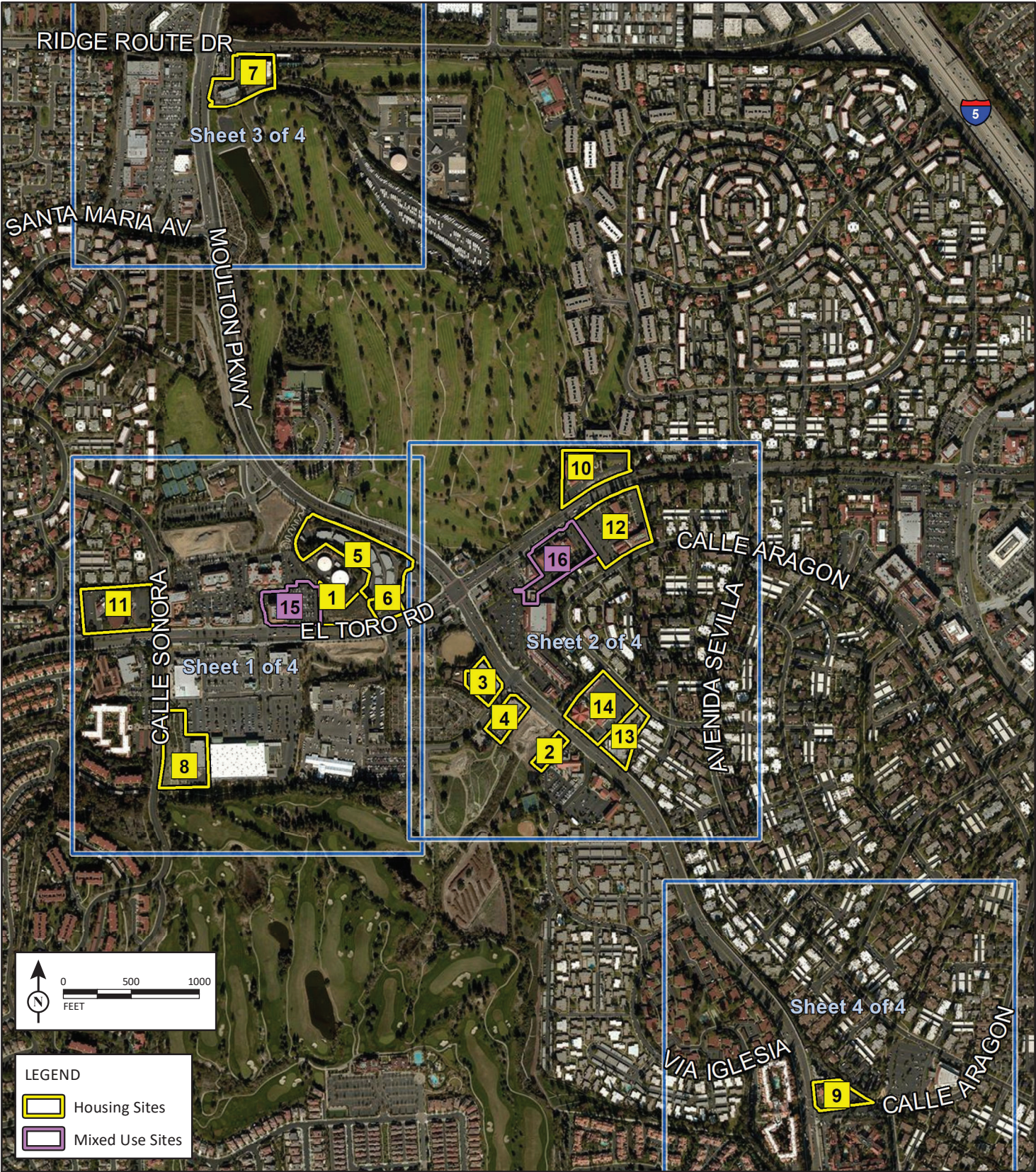
Please note that **neither the Regional Housing Needs Assessment (“RHNA”) nor General Plan Housing Element Update processes require the City or any private property owner to construct housing or discontinue any existing non-housing use.**

<b>PROPERTIES PERMITTED TO BE DEVELOPED AS HOUSING (UP TO 100% HOUSING)</b>			
<b>Site Number</b>	<b>Existing Use</b>	<b>Maximum Density</b>	<b>Capacity (New Housing Units)</b>
1	Vacant lot near Town Centre	40 units per acre	65
2	Parking lot for Pacific Hills Calvary Chapel	40 units per acre	25
3	Rossmoor Electric	40 units per acre	44
4	Saddleback Golf Cars	40 units per acre	44
5	Laguna Woods Self Storage	40 units per acre	189
6	Animal Hospital	40 units per acre	27
7	PS Business Park (excludes Jack in the Box)	40 units per acre	103
8	Smart Parke	40 units per acre	85
9	McCormick & Son Mortuary	20 units per acre	25
10	Lutheran Church of the Cross	20 units per acre	54
11	Geneva Presbyterian Church	20 units per acre	71
12	Saint Nicholas Catholic Church	20 units per acre	83
13	Temple Judea	20 units per acre	31
14	Laguna Country United Methodist Church	20 units per acre	70
<b>PROPERTIES PERMITTED TO BE DEVELOPED AS MIXED USE (USES SIMILAR TO EXISTING AND UP TO 55% HOUSING)</b>			
<b>Site Number</b>	<b>Existing Use</b>	<b>Maximum Density</b>	<b>Capacity (New Housing Units)</b>
15	Medical building in Town Centre	40 units per acre	56
16	Willow Tree Center East (Olive Garden and South County Adult Day Services)	16 units per acre	25

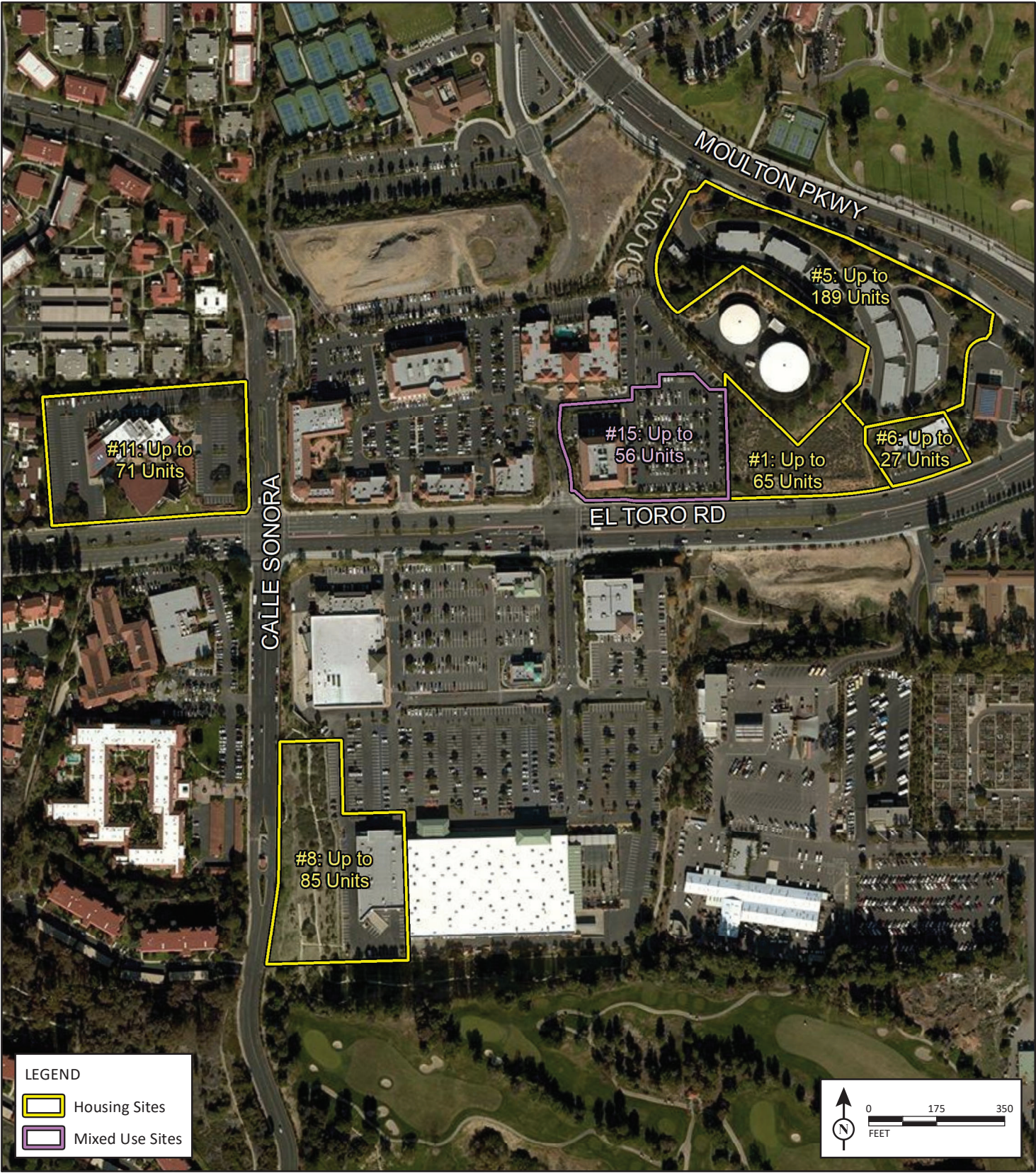
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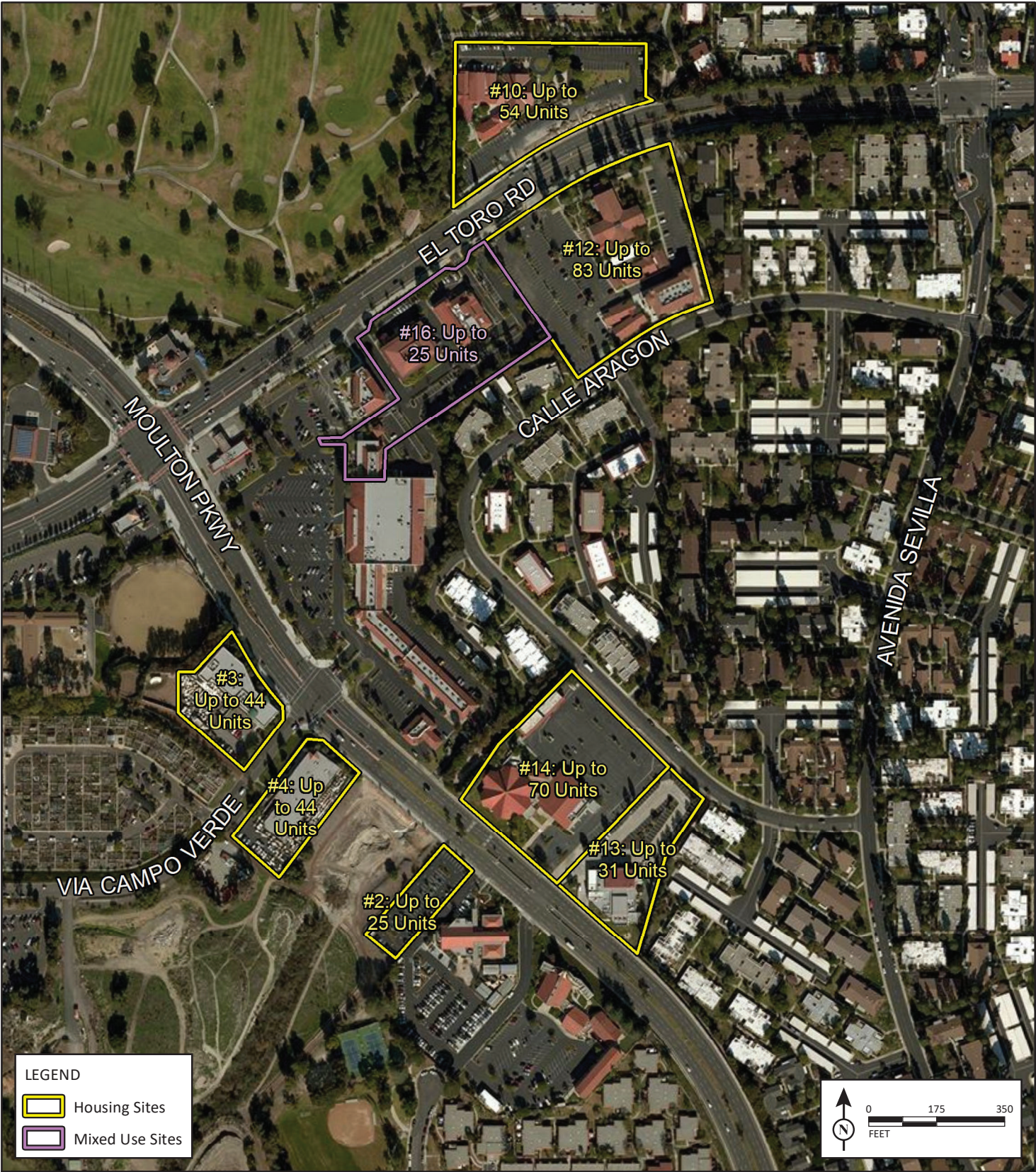
KEY MAP



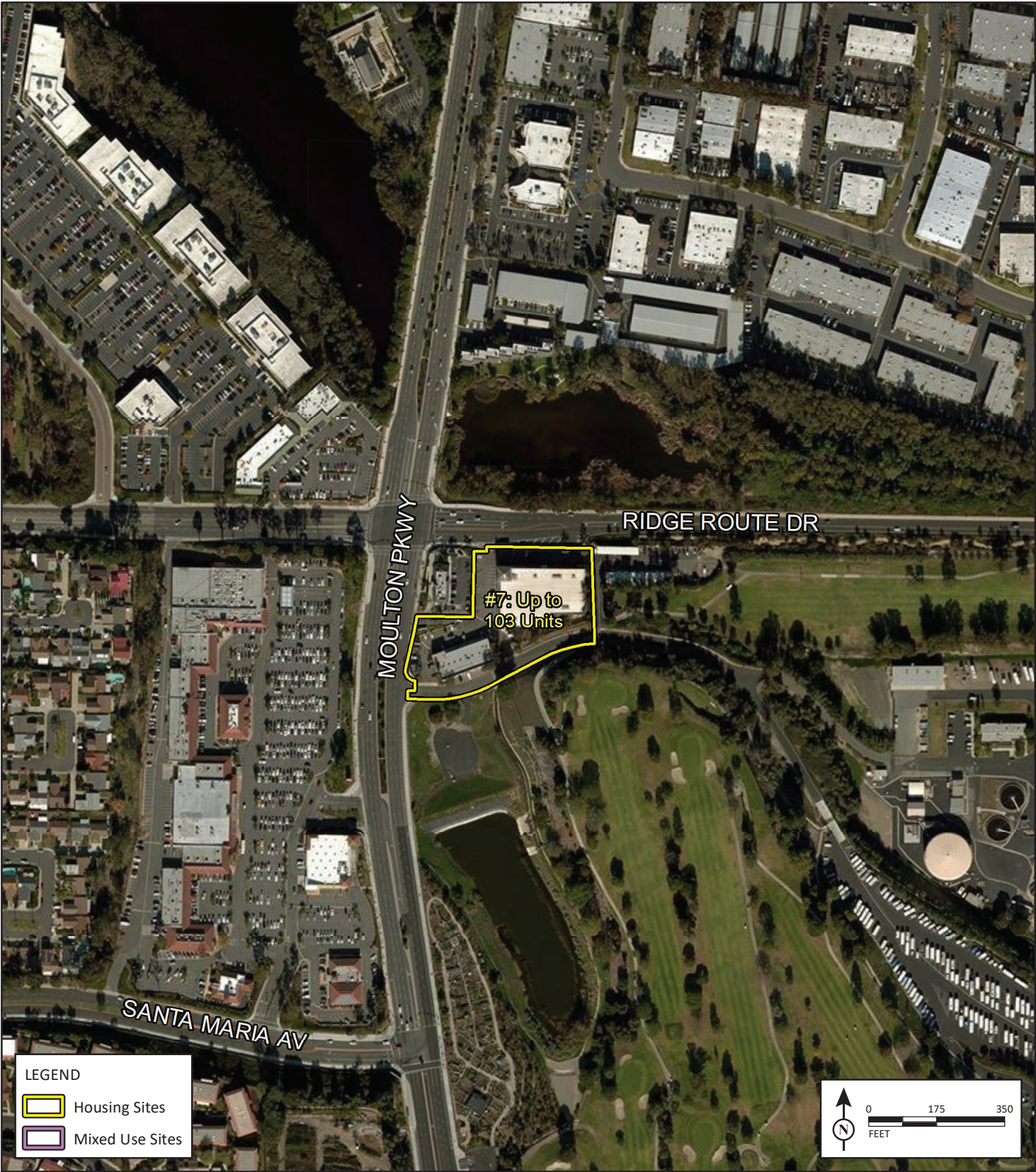




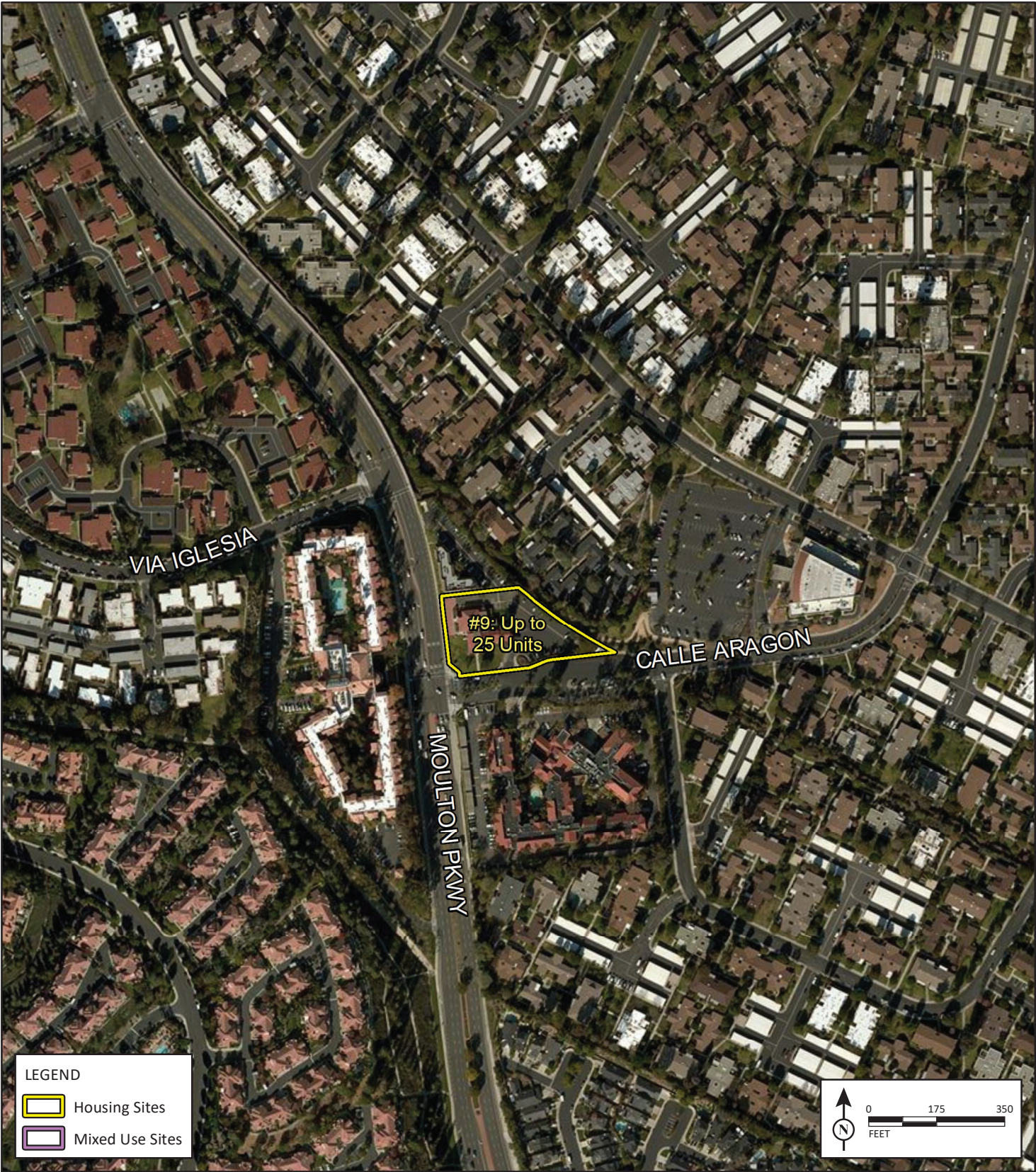













LEGEND

 Housing Sites

 Mixed Use Sites

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